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IN THE  
**Supreme Court of the United States**  
October Term, 1943  
No. 399

TRIANGLE CONDUIT & CABLE COMPANY, INC.,  
*Petitioner,*

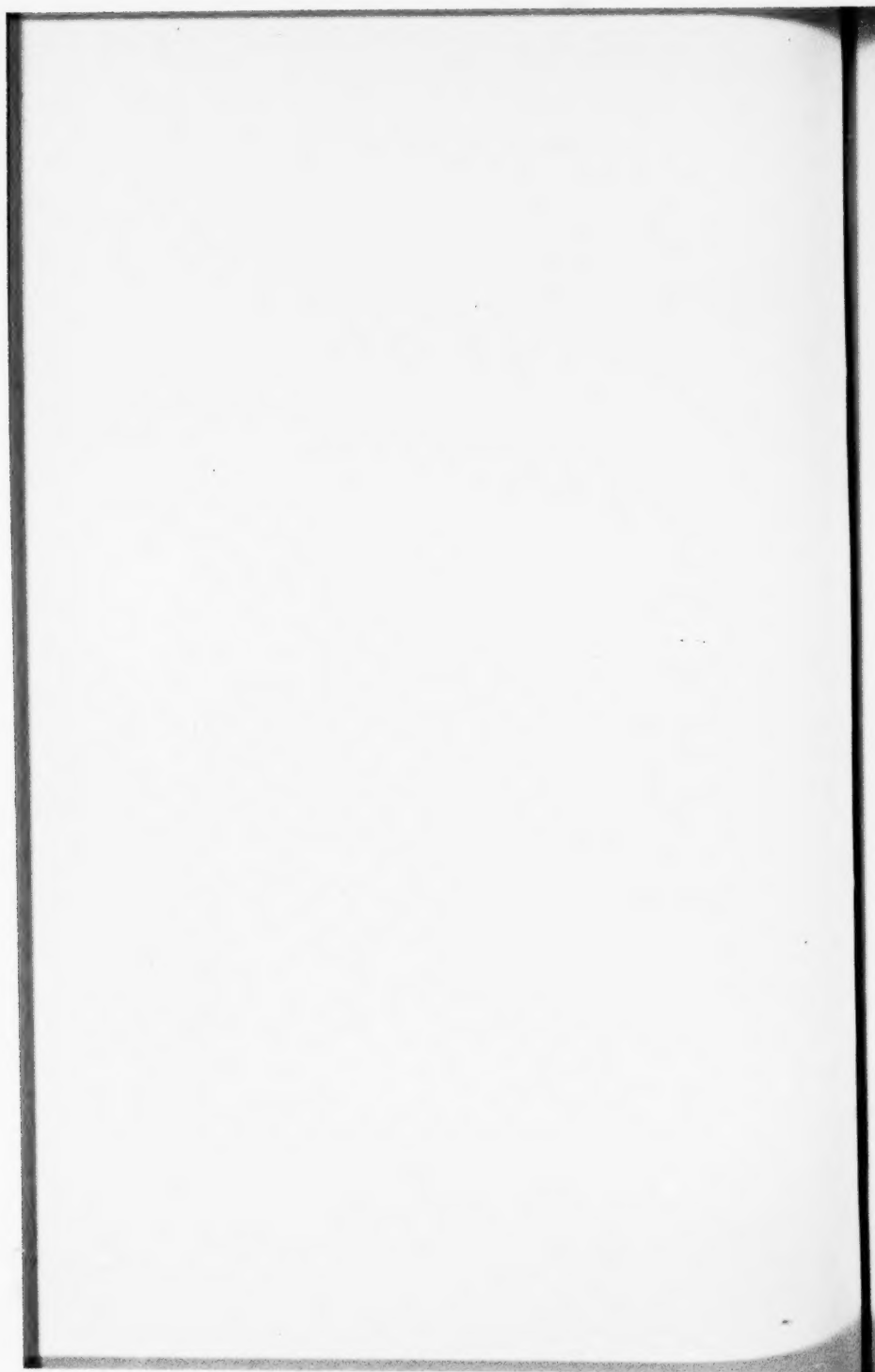
*vs.*

NATIONAL ELECTRIC PRODUCTS CORPORATION,  
*Respondent.*

PETITION FOR WRIT OF CERTIORARI TO THE  
UNITED STATES CIRCUIT COURT OF APPEALS  
FOR THE THIRD CIRCUIT AND BRIEF IN  
SUPPORT THEREOF.

SAMUEL E. DARBY, JR.,  
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*Of Counsel.*



## INDEX

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	PAGE
Summary and Short Statement of Matter Involved.....	1
The Questions Presented .....	4
Reasons Relied on for the Allowance of the Writ.....	5
Brief in Support of Petition for Writ of Certiorari.....	7
Opinions of the Courts Below.....	7
Jurisdiction .....	7
Statement .....	7
Specification of Error.....	8
Summary of Argument .....	8
Argument .....	8
POINT I.—The Court of Appeals has decided an important question of Federal law in a manner which is in direct conflict with the principles announced by other Circuit Courts of Appeals which have had occasion to pass on the questions here presented.....	8
POINT II.—The Court of Appeals by its present decision has completely nullified the salutary effect of the Declaratory Judgment statute in patent cases in curing what has been judicially characterized as a “racket” in the abuse of the patent privilege.....	15
POINT III.—The Court of Appeals has decided an important question of Federal procedure which has not heretofore been passed upon by this Court, but which is of great public importance because it constitutes a precedent which will permit a multiplicity of expensive and unnecessary actions.....	19
POINT IV.—The Court of Appeals has decided an important question of Federal law in a manner which is believed to be untenable in view of the principles announced by this Court in the case of <i>Kessler v. Eldred</i> , 206 U. S. 285....	20
Conclusion .....	23

## Table of Cases.

	PAGE
Aetna Life Ins. Co. v. Haworth, 300 U. S. 227.....	7
E. W. Bliss Co. v. Cold Metal Process Co., 102 Fed. (2d) 105 .....	10, 11
Caterpillar Traction Co. v. Galion Iron Works & Mfg. Co., 30 F. Supp. 111 .....	16
Creamery Package Co. v. Cherry-Burrell, 115 F. (2d) 980, certiorari denied 312 U. S. 709.....	10, 11
Crosley v. Hazeltine, 122 F. (2d) 925, certiorari denied 315 U. S. 816.....	10, 12, 18
Crosley v. Westinghouse, 130 F. (2d) 474, certiorari denied 317 U. S. 681.....	10, 11, 12
Ellis v. Stowell, 16 F. 783, 787.....	17
Hazeltine v. Atwater Kent, 34 F. (2d) 50.....	9, 17
Alfred Hofmann v. Knitting Machines, 123 F. (2d) 458 .....	10
Kessler v. Eldred, 206 U. S. 285.....	5, 6, 7, 20, 22, 23
Kryptok Co. v. Stead Lens Co., 190 F. 767.....	17
Lances v. Letz, 115 F. (2d) 916.....	4, 9, 10, 11
Leach v. Ross, 104 F. (2d) 88.....	10
Marconi Wireless Tele. Co. v. Kilbourne & Clark, 225 F. 719, 722 .....	17
Maytag Co. v. Meadows Manufacturing Co., 35 F. (2d) 403, 410 .....	17
Milwaukee Gas Specialty Co. v. Mercoid, 104 F. (2d) 589 .....	10, 11, 12
National Cash Register Co. v. Boston Cash Indicator & Recorder Co., 41 F. 51.....	16, 17
Penn Electric Switch Co. v. United States Gage Co., 129 F. (2d) 166, certiorari denied 317 U. S. 675.....	10
Rubber Tire Wheel Co. v. Goodyear Tire & Rubber Co., 232 U. S. 413.....	7

	PAGE
Sherman Clay & Co. v. Searchlight Horn Co., 225 F. 497 .....	22
Skinner and Eddy Corp., 265 U. S. 86, 92 .....	11
Sola v. Jefferson, 87 L. Ed. Ad. Op. 150 .....	10
Stebler v. Riverside Heights Orange Growers Associa- tion, 214 F. 550 .....	22
Tremond v. Sherring Corp., 122 F. (2d) 702 .....	10
Triangle v. National, 38 F. Supp. 533 .....	14
Triangle v. National, 125 F. (2d) 1008, certiorari denied 316 U. S. 676 .....	2, 3, 10, 11, 12
U. S. G. & P. E. Corp. v. Hanson, 104 F. (2d) 856 .....	10
Walker on Patents, Deller Edition 1937, Vol. 2, p. 1496 ..	22



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**PETITION FOR WRIT OF CERTIORARI TO THE  
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SUPPORT THEREOF.**

*To the Honorable, the Chief Justice and Associate Justices  
of the Supreme Court of the United States:*

Your petitioner, Triangle Conduit & Cable Company, Inc., prays that a writ of certiorari issue to review the judgment of the United States Circuit Court of Appeals for the Third Circuit entered herein on September 1st, 1943.

A certified transcript of the record of the case, including the proceedings in the Circuit Court of Appeals, is furnished herewith in compliance with Rule 38 of this Court.

**Summary and Short Statement of  
Matter Involved.**

1. Petitioner is a manufacturer of electrical conductors, including rubber covered wire, flexible armor cable and non-metallic sheathed cable.

2. Respondent is the owner of eleven patents assertedly relating to such conductors and their manufacture.

3. On January 9, 1941, respondent, in writing, notified two of petitioner's largest customers (Sears, Roebuck & Company of Chicago, Illinois, and The M. B. Austin Company of Chicago, Illinois) that the products they had acquired from petitioner for resale infringed respondent's patents, and notified petitioner (who for years had been known to respondent and with whom, for years, respondent had had business dealings) that it had done so.

4. Thereupon, to wit, on January 16, 1941, petitioner instituted the present suit in the United States District Court for the District of Delaware seeking a declaratory judgment of invalidity of all eleven of respondent's patents and the non-infringement thereof by petitioner's products.\*

5. Eighteen days thereafter, to wit, on February 3, 1941, respondent filed a patent infringement suit in the District Court for the Eastern District of Michigan, Southern Division, against petitioner and its customer, Sears, Roebuck & Company, on six of respondent's eleven patents.

6. Petitioner thereupon moved for an injunction restraining respondent from prosecuting the suit in Michigan until after an adjudication had been had in the present declaratory judgment suit which had been filed first. The District Court denied the injunction (38 Fed. Supp. 533) which denial was first affirmed by the Third Circuit Court of Appeals (R. 8) and then, on rehearing, that Court sitting *en banc* unanimously reversed and ordered the injunction to issue, permitting respondent, however, to sever its action in Michigan and proceed with any separate cause of action

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\* The propriety of the suit was judicially affirmed by the Third Circuit Court of Appeals in a prior appeal to that Court (125 F. (2d) 1008; certiorari denied 316 U. S. 676).



it had against Sears, Roebuck & Company in the Michigan suit (125 F. (2d) 1008; R. 13).

7. The severance was had, and in the Michigan suit thus confined to Sears, Roebuck & Company, steps were taken to ascertain what products, and by whom manufactured, the sale of which by Sears, Roebuck & Company respondent charged to constitute infringement of respondent's patents. These efforts culminated in a stipulation, the relevant paragraph of which is as follows:

"That at the trial of this action against Sears, Roebuck & Co., Inc., Plaintiff will confine its evidence of infringement to rubber covered wire (whether sold as such or as an element of a cable), flexible armored cable and non-metallic sheathed cable of the types made by Triangle Conduit & Cable Co., Inc., and sold by it to, and resold by, Sears, Roebuck & Co., Inc.; without prejudice however, to plaintiff's right of relief herein, under the principles of law covering the scope and effect of a decree of infringement, with respect to any other products sold by Sears, Roebuck & Co., Inc. whether made by Triangle Conduit & Cable Co., Inc. or by another manufacturer or other manufacturers."

Counsel for respondent in open court frankly stated that under the stipulation the only evidence of infringement that respondent would offer in the trial on the merits in the Michigan suit were *products manufactured by petitioner*, acquired for resale by Sears, Roebuck & Co., Inc.

8. Therefore, it being made of record that the only issues to be tried on their merits in the Michigan suit were the *identical* issues involved in the present declaratory judgment action filed before the Michigan suit,—viz: *the validity of respondent's patents and the infringement thereof by petitioner's products*—petitioner moved in the present cause for an injunction restraining respondent from further

prosecuting the Michigan suit against respondent's customer until after adjudication on those issues had been had in the present cause which first presented those issues for adjudication.

9. Judge KIRKPATRICK, sitting by assignment in the District Court of Delaware, granted the injunction (R. 4, 7). On respondent's appeal the Court of Appeals reversed (R. 18).

10. Therefore, because the Court of Appeals for the Third Circuit has permitted a patent owner to proceed with a patent infringement suit against the customer of a manufacturer in spite of the fact that prior to the institution of that suit the manufacturer had filed a declaratory judgment action against the patent owner in the jurisdiction of the domicile of the patent owner, and in spite of the fact that the infringement suit against the customer is in a jurisdiction far distant from and foreign to the domicile of both the patent owner and the manufacturer; and because, by so doing, the Court of Appeals has virtually nullified what has been judicially recognized as "the most beneficial effect" of the Declaratory Judgment statute in curing "what had become a racket" in the abuse of the patent privilege;\* and because, by so doing, the Court of Appeals has reached a conclusion which is quite inconsistent with, if not diametrically opposite to the conclusions reached by the Courts of Appeals in the other circuits which have had occasion to pass on the application of the Declaratory Judgment statute to patent causes, this petition has been filed.

### **The Questions Presented.**

1. When a justiciable controversy has arisen between a patent owner and the manufacturer of products charged by

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\* *Lances v. Letz*, 115 F. (2d) 916 C. C. A. 2d.

the patent owner to infringe the patents, and the manufacturer has instituted an action against the patent owner in the jurisdiction of his domicile to obtain a declaratory judgment as to the validity of the patents and the infringement thereof by the manufacturer's products, may the patent owner, prior to adjudication in that action, prosecute a suit *subsequently* instituted by the patent owner against a customer of the manufacturer, in a jurisdiction foreign to both of the parties, charging infringement of the patents by the sale or use of the manufacturer's products?

2. Under the doctrine of *Kessler v. Eldred*, 206 U. S. 285, should the prosecution of an infringement suit against a customer be enjoined pending the adjudication of validity and infringement of the patents in a declaratory judgment action previously brought by the manufacturer against the patent owner to secure a prompt adjudication of those issues?

### **Reasons Relied on for the Allowance of the Writ.**

1. The Court of Appeals has decided an important question of Federal law in a manner which is in direct conflict with the principles announced by the other Circuit Courts of Appeals which have had occasion to pass on the questions presented.

2. The Court of Appeals, by its present decision, has completely nullified the salutary effect of the Declaratory Judgment statute in curing what has been judicially characterized as a "racket" in the abuse of the patent privilege.

3. The Court of Appeals has decided an important question of Federal procedure which has not heretofore been passed upon by this Court and which is of great public importance because, if erroneous and allowed to stand, it will constitute a precedent which will permit a multiplicity

of expensive and unnecessary actions in all cases where honest manufacturers have availed themselves of the relief afforded by the Declaratory Judgment statute from terroristic patent racketeering, and will unwarrantedly impose unnecessary burdens upon the courts.

4. The Court of Appeals has decided an important question of Federal law in a manner which is believed to be untenable in view of the principles announced by this Court in the case of *Kessler v. Eldred*, 206 U. S. 285.

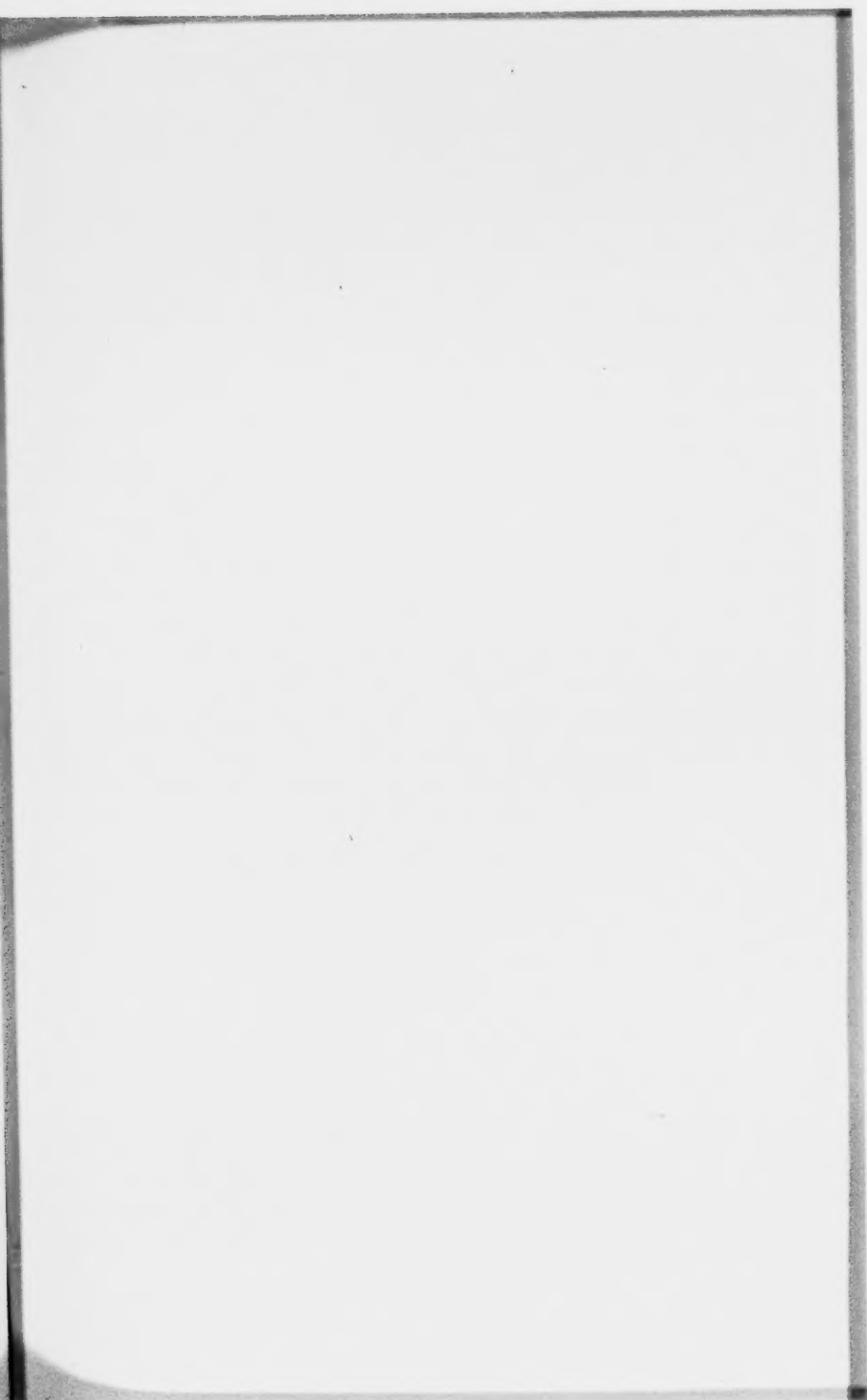
WHEREFORE your petitioner respectfully prays that a writ of certiorari issue out of and under the seal of this Court directed to the United States Circuit Court of Appeals for the Third Judicial Circuit commanding said Court to certify and send to this Court on a date to be designated a full transcript of the record and all proceedings of the Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this Court as to the questions herein presented; that the judgment of the Court of Appeals be reversed; and that petitioner may be granted such other and further relief as may seem proper.

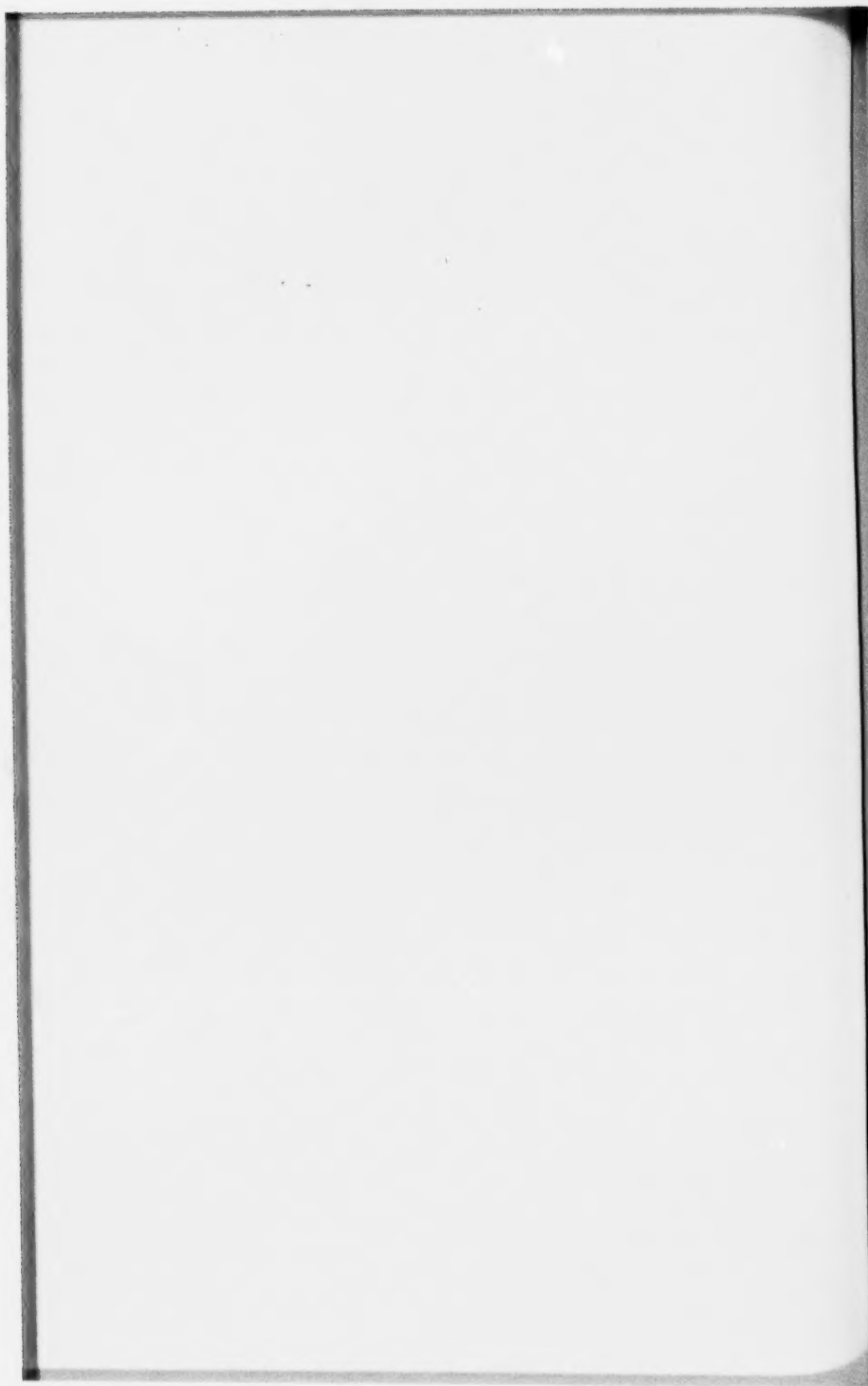
Respectfully submitted,

SAMUEL E. DARBY, JR.,  
*Counsel for Petitioner.*

FLOYD H. CREWS,  
*Of Counsel.*

Dated: New York, N. Y.,  
September 28, 1943.





## **BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.**

### **Opinions of the Courts Below.**

The opinion of the District Court is not reported but is reproduced in the record at page 4.

The opinion of the Circuit Court of Appeals is not yet reported, but is reproduced in the record at page 18.

### **Jurisdiction.**

The grounds for jurisdiction are:

1. The date of the judgment to be reviewed is September 1, 1943.
2. The judgment was rendered in a Civil Action brought under the Declaratory Judgment statute (Section 274-D of the Judicial Code; 28 U. S. C. A. 400) for an adjudication of the issues of validity and infringement of Letters Patent of invention.
3. The statute under which jurisdiction is invoked is Section 240(a) of the Judicial Code, 28 U. S. C. A. 347, as amended by the Act of February 13, 1925.
4. Cases believed to sustain the jurisdiction are:

*Kessler v. Eldred*, 206 U. S. 285;  
*Rubber Tire Wheel Co. v. Goodyear Tire & Rubber Co.*, 232 U. S. 413;  
*Aetna Life Ins. Co. v. Haworth*, 300 U. S. 227.

### **Statement.**

The facts are sufficiently stated in the petition.

### **Specification of Errors.**

The error which petitioner will urge if the writ of certiorari is granted, is that the Third Circuit Court of Appeals erred in holding that the prosecution of a later brought patent infringement suit against a customer in a jurisdiction foreign to both the patent owner and the manufacturer should not be restrained pending adjudication of the same issues, involving the same patents, in an earlier filed declaratory judgment suit brought by the manufacturer against the patent owner in the jurisdiction of the patent owner's domicile.

### **Summary of Argument.**

The points of argument follow the reasons relied upon for the grant of a writ of certiorari and are stated on pages 5 and 6 of this petition as well as in the index hereto. For the sake of brevity they are omitted at this point.

## **ARGUMENT.**

### **POINT I.**

**The Court of Appeals has decided an important question of Federal law in a manner which is in direct conflict with the principles announced by other Circuit Courts of Appeals which have had occasion to pass on the questions here presented.**

It has long been the practice of powerful patent owners to terrorize their competitors and, indeed, to paralyze and destroy competing businesses by threats of patent infringement suit sent to the competitor's customers. This abuse



of the patent privilege by misusing patents as weapons of business aggression has been judicially characterized as a "racket" (*Lances v. Letz*, 115 F. (2d) 916, C. C. A. 2d). Where necessary, patent owners have even gone to the extreme of filing a multiplicity of suits against a large number of customers of a competitor for improper abusive and coercive purposes (*Hazeltine v. Atwater Kent*, 34 F. (2d) 50). So vicious was this practice and so widespread and destructively successful had it become that it became a matter of public discussion,\* and occasioned proposed legislation requiring a patent owner to secure an adjudication of his patent in litigation with the manufacturer of an alleged infringing product as a condition precedent to litigation with the manufacturer's customers.†

Prior to the Declaratory Judgment statute manufacturers were largely helpless against these terroristic tactics. Only rarely was a large and powerful patent owner put to the necessity of subjecting his usually weak or worthless

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\* The final report and recommendations of the Temporary National Economic Committee on the Investigation of Concentration of Economic Power provided, under the title "Legislation Changes in Anti-Trust Laws":

"1. Patent Laws. (d) *Limitation on suits for infringement* (approved by the committee without objection). In order to prevent the use of litigation as a weapon of business aggression rather than as an instrument for adjudicating honest disputes, we recommend legislation which will provide that no action, based upon a charge of infringement of any patent, whether for damages, for an injunction, or for any other relief shall be permitted against any licensee under a patent or against any purchaser or licensee or any article unless the plaintiff has previously secured a judgment against the grantor of the license or the manufacturer of the article for infringement in connection with the granting of such license or the sale of such article."

† See Section 8 of Bill S. 2491 proposed by Senators O'Mahoney, Bone and LaFollette and introduced in the Senate on April 28 (Legislation day March 30, 1942) in the 2d Session of the 77th Congress.

patent rights to judicial scrutiny. The mere threat of expensive, inconvenient and annoying litigation, and the cloud of asserted illegality placed on the manufacturer's product, usually was sufficient to create a disastrous sales resistance, or to effectively close the substantial sales outlets to the manufacturer for his products. Thus, honest manufacturers were placed and were maintained at the mercy of unscrupulous competitive patent owners without opportunity for the relief of an adjudication of patent invalidity or non-infringement unless and until infringement suit was instituted when and where the whim of the patent owner should dictate.

With the enactment of the Declaratory Judgment statute, however, the picture changed, and the honest manufacturer for the first time was afforded the right and the means to secure a prompt adjudication of the merits of any patent claim asserted against his products, which right and means, immediately availed of by manufacturers whose products were charged to constitute patent infringement, have received extensive and uniform judicial approval. (*Sola v. Jefferson*, 87 L. Ed. Ad. Op. 150; *E. W. Bliss Co. v. Cold Metal Process Co.*, 102 F. (2d) 105, C. C. A. 6; *Milwaukee Gas Specialty Co. v. Mercoid*, 104 F. (2d) 589, C. C. A. 7; *Leach v. Ross*, 104 F. (2d) 88, C. C. A. 2; *U. S. G. & P. E. Corp. v. Hanson*, 104 F. (2d) 856, C. C. A. 4; *Creamery Package Co. v. Cherry-Burrell*, 115 F. (2d) 980, C. C. A. 3, cert. denied 312 U. S. 709; *Lances v. Letz*, 115 F. (2d) 916, C. C. A. 2; *Tremond v. Sherring Corp.*, 122 F. (2d) 702, C. C. A. 3; *Crosley v. Hazeltine*, 122 F. (2d) 925, C. C. A. 3, certiorari denied 315 U. S. 816; *Alfred Hofmann v. Knitting Machines*, 123 F. (2d) 458, C. C. A. 3; *Triangle v. National*, 125 F. (2d) 1008, C. C. A. 3, cert. denied 316 U. S. 676; *Penn Electric Switch Co. v. United States Gage Co.*, 129 F. (2d) 166, C. C. A. 7, cert. denied 317 U. S. 675; *Crosley v. Westinghouse*, 130 F. (2d) 474, C. C. A. 3, cert. denied 317 U. S.

681.) Indeed, the Court of Appeals for the Second Circuit, in *Lances v. Letz*, *supra*, took occasion to quote with approval Professor Borchard's comment upon "the most beneficial effect" of the Declaratory Judgment statute "in curing what had become a racket" in the abuse of the patent privilege (115 F. (2d) 916, at p. 917).

As would be expected, unprincipled patent owners immediately launched upon procedure designed to evade the statute, which procedure consisted of instituting patent infringement suit against the manufacturer, in a different jurisdiction, *after* the declaratory judgment action had been started, and then, because of the then pendency of the infringement suit, seek a dismissal of the declaratory judgment action. Of course, if the declaratory judgment case could be dismissed, the patent owner could proceed or not proceed with the infringement suit as he determined—and when he determined—holding the pendency of the suit *in terrorem* over the heads of the manufacturer and his customers in the meantime, in the same old racketeering fashion.\* However, this scheme was promptly and uniformly defeated, the Courts consistently holding that the pendency of the subsequently filed infringement suit formed no basis for the dismissal of the declaratory judgment action and afforded no means for avoiding an adjudication in that action. (*E. W. Bliss Co. v. Cold Metal Process Co.*, *supra*, C. C. A. 6; *Milwaukee Gas Specialty Co. v. Mercoide*, *supra*, C. C. A. 7; *Creamery Package Co. v. Cherry-Burrell*, *supra*, C. C. A. 3; *Triangle v. National*, *supra*, C. C. A. 3; *Crosley v. Westinghouse*, *supra*, C. C. A. 3.)

In addition, when requested so to do, the Courts have uniformly enjoined the prosecution of the subsequently

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\* In *Matter of Skinner and Eddy Corp.*, 265 U. S. 86, 92 this Court, speaking through Mr. Chief Justice TAFT, held that a plaintiff in an equity action had an "absolute" right to discontinue or dismiss his suit at any stage of the proceedings prior to verdict or judgment.

instituted patent infringement suit against the manufacturer until after an adjudication had been had in the declaratory judgment action first instituted. (*Milwaukee Gas Specialty Co. v. Mercoid, supra; Crosley v. Hazeltine, supra; Triangle v. National, supra; Crosley v. Westinghouse, supra.*)

The reasons for this rule, given in one aspect or another by all of the Courts which had occasion to adopt it, are tersely stated, for example, by the Court of Appeals below in *Crosley v. Hazeltine, supra*, where it said (122 F. (2d) 925, at p. 930):

"It is of obvious importance to all the litigants to have a single determination of their controversy, rather than several decisions which if they conflict may require separate appeals to different circuit courts of appeals. \* \* \* The party who first brings a controversy into a court of competent jurisdiction for adjudication should, so far as our dual system permits, be free from the vexation of subsequent litigation over the same subject matter. The economic waste involved in duplicating litigation is obvious. Equally important is its adverse effect upon the prompt and efficient administration of justice. In view of the constant increase in judicial business in the federal courts and the continual necessity of adding to the number of judges, at the expense of the taxpayers, public policy requires us to seek actively to avoid the waste of judicial time and energy. Courts already heavily burdened with litigation with which they must of necessity deal should therefore not be called upon to duplicate each other's work in cases involving the same issues and the same parties."

"What has been said applies, we think, with especial force to patent suits, such as the one before us, brought under the Declaratory Judgment Act, 28 U. S. C. § 400. The act enables the challenger of an alleged patent right to have the right adjudicated without having to take the risk of continuing his infringement pending action by the patent owner. In

the declaratory judgment action the patent owner may counterclaim for infringement. Civil Procedure Rule 13(a), 28 U. S. C. A. following section 723 c. The intent of the Declaratory Judgment Act is to enable an alleged infringer to avoid a multiplicity of suits by the patent owner. When the district court of the domicile of a patent owner has been asked by an infringer to determine by declaratory judgment the issues of the patent's validity and infringement, it would neutralize the beneficial effect of the Declaratory Judgment Act as well as impose an unwarranted burden upon the federal judiciary, to permit the patent owner thereafter to prosecute infringement suits in other district courts against the same infringer. It follows that in the case before us the defendant should not be permitted to require the district court for the Southern District of Ohio to conduct and the plaintiff to defend nine separate trials to determine the validity of fifteen patents and their alleged infringement by the plaintiff, when the jurisdiction of the district court of Delaware has already been invoked to determine the validity and infringement of all of these patents."

The present case is another attempt by a patent owner, which has used its patents for the purpose of attempted intimidation, to circumvent the beneficial remedy afforded by the Declaratory Judgment statute to a manufacturer (petitioner) as a result of respondent's challenging the legality of the manufacturer's products.

Here, although petitioner was and for many years had been well known to respondent and the industry as a responsible manufacturer, respondent initiated the present controversy by a charge of infringement by petitioner's products addressed to petitioner's two largest customers. The obvious and only purpose of so doing, under such circumstances, was to intimidate those customers, cause them to cease being petitioner's customers and possibly become

respondent's customers, and to harass petitioner. Petitioner immediately filed the present declaratory judgment action, thereby affording respondent the opportunity—indeed putting respondent to the *compulsion*—of counterclaiming for patent infringement under Rule 13(a) of the Rules of Civil Procedure.

Thus, respondent was afforded an opportunity for a complete and *prompt* adjudication of the patent rights which it asserted if respondent was sincere in such assertion.\* However, respondent was not sincere in the assertion of its patent rights. Instead of joining issue, answering and presenting for adjudication in this action its counterclaim of patent infringement—and such an adjudication is the most and all that respondent was entitled to or assertedly sought—respondent (on February 3, 1941) filed the infringement suit in Michigan against petitioner and its customer, Sears, Roebuck & Company, and on the following day (February 4, 1941) moved in this case for a dismissal of the present declaratory judgment action by summary judgment. Even after the denial of summary judgment (38 F. Supp. 533) respondent, on July 13, 1941, brought a motion to dismiss the declaratory judgment action or stay further proceedings therein *because of the pendency of the infringement suit in Michigan*. By these tactics respondent succeeded in avoiding filing its answer and compulsory counterclaim in this cause until June 28, 1943—*nearly 2½ years after the complaint was filed*—while at the same time endeavoring to press the trial of the patent infringement case in Michigan.

Respondent now has made of record in the case, by stipulation and statement of Counsel in open court, that the only evidence of infringement which will be offered in the

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\* Rule 57 of the Rules of Civil Procedure provides:

“The court may order a speedy hearing of an action for a declaratory judgment and may advance it on the calendar.”

trial on the merits in the Michigan case will be the sales by Sears, Roebuck & Company of petitioner's products. From this it will be seen that the only issues that are to be or can be raised at the trial of the Michigan case are (1) the validity of respondent's patents and (2) the infringement thereof by petitioner's products. *But these are precisely and exclusively the issues raised in the present declaratory judgment action.*

Therefore, there is neither reason nor excuse for permitting two (and possibly many more) such litigations to be simultaneously prosecuted in various District Courts of the Federal judicial system. On the other hand, there are many reasons, the principal ones of which uniformly have formed the basis upon which the Courts, in the cases above cited, have rendered their decisions in declaratory judgment actions involving patent rights, why it should not be permitted.

It will be seen, therefore, that the decision of the Court of Appeals in the present case is in direct conflict with the fundamental principles underlying all of the decisions of all the Circuit Courts of Appeals that have had occasion to pass upon the questions here presented, which fact warrants a review of this cause by this Court.

## POINT II.

**The Court of Appeals by its present decision has completely nullified the salutary effect of the Declaratory Judgment statute in patent cases in curing what has been judicially characterized as a "racket" in the abuse of the patent privilege.**

The inevitable effect of the decision below is that powerful patent owners are permitted—even invited—to terrorize



their manufacturing competitors with a multiplicity of suits against the manufacturer's customers. The salutary effect of the Declaratory Judgment statute in curing the patent "racket" of widespread threats of litigation against a manufacturer's customers is thereby completely nullified. The manufacturer who has been harassed by *threats* of litigation may not now seek to face his persecutor without being subjected to even a greater harassment by *actual* litigation against his customers in distant and widely scattered jurisdictions. Under these circumstances powerful patent owners with impunity may revert to their old practice of multiple infringement suits on patents of doubtful validity, and the manufacturer is faced with ruin regardless of what action he may take. He must lose his business through the fears of his customers because of such suits or he must lose his business because of the losses occasioned by the great expense incident to defending a multiplicity of suits in remote and widely scattered places.

If the decision of the Court below is not corrected a manufacturer, by filing a declaratory judgment suit, may not bring his controversy into Court and have it adjudicated expeditiously in a single trial. To the contrary, he must continue simultaneously to defend as many suits at as many different places as the patent owner may elect to bring against his customers (Cf. *Caterpillar Traction Co. v. Galion Iron Works & Mfg. Co.*, 30 F. Supp. 111).

Thus, a patent indeed is allowed to continue as a potent weapon in unscrupulous hands for business aggression. The decision of the Court of Appeals below in effect has sanctioned its use as such.

The propriety of and necessity for compelling a patent owner to first try his case against the manufacturer of an alleged infringing article has long been recognized as an equitable principle (*National Cash Register Co. v. Boston*



*Cash Indicator & Recorder Co.*, 41 F. 51; *Ellis v. Stowell*, 16 F. 783, 787; *Marconi Wireless Tele. Co. v. Kilbourne & Clark*, 235 F. 719, 722; *Maytag Co. v. Meadows Manufacturing Co.*, 35 F. (2d) 403, 410), the application of which, however, was solely a matter of judicial discretion that might not be exercised (*Kryptok Co. v. Stead Lens Co.*, 190 F. 767; *Hazeltine v. Atwater Kent*, 34 F. (2d) 50).

The Declaratory Judgment statute, under the interpretation and application thereof by the Courts, has made prompt adjudication of asserted patent claims by a patent owner against a manufacturer, coupled with restraint of the patent owner with respect to unnecessary multiplication of litigation, a matter of *right*. Only in this way could or did the Declaratory Judgment statute have "the most beneficial effect" of curing "what had become a racket" in the abuse of the patent privilege. The decision of the Court of Appeals below in the present case nullifies all that has been accomplished in patent cases under the statute. The "racket" again is given vitality and life and is allowed to be practiced unhampered. Patent owners may continue their harassment by belatedly instituted infringement suits against the customers of manufacturers even though promptly subjected to Declaratory Judgment action and, by procedural jockeying such as here has been indulged in, trial of the Declaratory Judgment action may be delayed for years while the manufacturer's customers are subjected to the pressure of prosecution of patent infringement litigation in widely scattered jurisdictions far distant from the domicile of the manufacturer who is morally bound to defend them.

That any such result is directly opposed to the intent of the Declaratory Judgment statute is believed to be not only evident but also to have been uniformly recognized by the Courts that have had occasion to consider the matter.

For example, the statement was made by the Court in the *Crosley* case (*ante*, p. 13) that:

“The intent of the Declaratory Judgment Act is to enable an alleged infringer to avoid a multiplicity of suits by the patent owner.”

This terse statement of the uniformly accepted understanding of the intent of the Declaratory Judgment statute crystallizes the fact that the decision of the Court below which permits the patent owner to sue one customer of petitioner—and logically, as many *more* as the patent owner may elect—for alleged infringement of the *same* patents by the *identical* products, sanctions and even invites a multiplicity of suits thereby completely defeating the intent of the statute.

Again, the Courts have said, for example in the *Crosley* case (*ante*, p. 13):

“When the District Court of the domicile of a patent owner has been asked by an infringer to determine by declaratory judgment the issues of the patent’s validity and infringement, it would neutralize the beneficial effect of the Declaratory Judgment Act as well as impose an unwarranted burden on the Federal Judiciary to permit the patent owner to prosecute infringement suits in other District Courts against the same infringer.”

In the present case, the Michigan suit by respondent is not against the same alleged *infringer* (the manufacturer) that is charged with infringement by the counterclaim in the present declaratory judgment action. But it is against the same *infringement*, viz: the manufacturer’s *identical* products. No proper distinction can be drawn between the two situations. The recited vices of *neutralizing the beneficial effect of the Declaratory Judgment Act* and of *imposition of unwarranted burden upon the Federal Judiciary* are present in both cases because the issues are identical,

namely, the validity of respondent's patents and the infringement thereof by petitioner's products.

Therefore, it is believed that no such nullification of the beneficial effect of the Declaratory Judgment statute should be sanctioned, and that this Court should review the present case to prevent its being sanctioned, as it is, by the decision of the Court of Appeals below.

### POINT III.

**The Court of Appeals has decided an important question of Federal procedure which has not heretofore been passed upon by this Court, but which is of great public importance because it constitutes a precedent which will permit a multiplicity of expensive and unnecessary actions.**

From what has been said before it will be apparent that respondent has been permitted by the Court of Appeals below to continue the prosecution of its Michigan suit against one of petitioner's customers where the only issues there involved are *validity of respondent's patents and the infringement thereof by petitioner's products*, which issues are exclusively the *identical* issues raised by the present declaratory judgment suit which was the first to be instituted. In view of this identity of subject matter and issues it is apparent that the Michigan suit was wholly unnecessary and unwarranted. Consequently, the only reason why the Michigan suit was instituted was to evade the beneficial relief of the Declaratory Judgment statute to the manufacturer whose product was charged to infringe, or to continue the reprehensible harassment of that manufacturer by means of continued attack upon its customer.

If, under the circumstances in this case, it is proper for respondent to continue the prosecution of the Michigan case against *one* customer of petitioner, it is equally as proper for respondent to institute as many additional similar suits against as many other customers of petitioner as respondent arbitrarily determines.

Thus, the patent "racket" is accorded full sway and added momentum with the vicious consequence of a multiplicity of harassing, expensive actions, involving identical issues, which not only are unwarranted by the factual situation, but are wholly opposed to elementary principles of jurisprudence.

It is believed to be unnecessary, in view of the foregoing considerations, to further stress how important it is to the public, as well as to the orderly administration of the Declaratory Judgment statute in patent causes, to have this Court consider and pass upon the questions here presented before the decision of the Court of Appeals below is allowed to be established as a precedent.

#### POINT IV.

**The Court of Appeals has decided an important question of Federal law in a manner which is believed to be untenable in view of the principles announced by this Court in the case of *Kessler v. Eldred*, 206 U. S. 285.**

In the *Kessler* case this Court held that where a patent has been adjudicated not to be infringed by a particular product in a suit between the patent owner and the manufacturer of the product, that same product, and all products like it produced by that manufacturer, are forever freed from the charge of infringement of the patent regardless

of where they are found or by whom owned. Accordingly, this Court enjoined the prosecution of a subsequent suit in a different jurisdiction brought by the patent owner against one of the manufacturer's customers.

The doctrine of that case was based upon the consideration that despite the fact the patent grant vested in its owner the exclusive severable rights to make, to use and to sell, thereby enabling the patent owner to choose which violation of the exclusive privilege should form the basis of an infringement suit, nevertheless when issues of validity and infringement have been presented for adjudication in an action between the patent owner and the primary source of infringement—the manufacturer of the challenged product—there is neither necessity nor excuse for re-litigating the same issues in any other jurisdiction.

Although in that case an adjudication of non-infringement had been secured by the manufacturer before the suit by the patent owner against the manufacturer's dealer was instituted, the underlying principles upon which the decision was based are equally as applicable to the facts in the present case where the issues of validity and infringement raised by petitioner's declaratory judgment suit were only pending in Delaware when the suit against petitioner's customer in Michigan was filed.

Respondent argued in the Court of Appeals below, and that Court implied in its opinion, the review of which is here sought, that inasmuch as respondent, in a possible accounting proceeding in the Michigan case, might recover the profits from infringing sales made by the customer, that fact made the relief sought by respondent in the Michigan cause *different* from that sought by its counterclaim in the present action inasmuch as in the present action only the profits of petitioner could be recovered. In such implication the Court of Appeals below erroneously overlooked or

ignored the fact that under its counterclaim in the present case respondent asks for relief in the following language:

“Wherefore defendant demands a preliminary and final injunction against further infringement by plaintiff and those controlled by plaintiff, *an accounting for profits and damages*, and an assessment of costs against plaintiff.”

Thus, because in the declaratory judgment action with petitioner, the manufacturer of the infringing products, respondent seeks *both profits and damages*, respondent is barred from recovery in suits for infringement by users or resellers of petitioner's products (*Walker on Patents*, Deller Edition 1937, Volume 2, p. 1496; *Stebler v. Riverside Heights Orange Growers Association*, 214 F. 550, C. C. A. 9; *Sherman Clay & Co. v. Searchlight Horn Co.*, 225 F. 497).

Even if respondent was entitled to recover from both petitioner (the manufacturer) and Sears, Roebuck & Company (the reselling customer) that fact, if it were a fact, would be no justification for permitting respondent to nullify the salutary effect of the Declaratory Judgment statute or of the doctrine of the *Kessler* case.

Petitioner is not here seeking a *dismissal* of respondent's Michigan suit. The injunction granted petitioner by the District Court would in no way affect respondent's right to maintain the Michigan suit or to have a full recovery therein if respondent is entitled to it. Petitioner here seeks only to avoid unnecessary and unwarranted multiplication of litigation, with its incidents of unnecessary burden on the Courts as well as the unnecessary burden on, expense to and harassment of petitioner and its customers. Petitioner seeks this pending the time the doctrine of *Kessler v. Eldred* shall be *directly* applicable and require dismissal of the Michigan suit upon adjudication in this

Declaratory Judgment action of invalidity of the patents or non-infringement thereof.

It is believed, therefore, that the decision of the Court below in the present case is so inconsistent with the principles announced by this Court in *Kessler v. Eldred* as to be untenable, and therefore warrants a review and correction by this Court.

### **Conclusion.**

***Wherefore petitioner earnestly prays that the petition for writ of certiorari be granted, the case be reviewed, the judgment of the Court of Appeals for the Third Circuit be reversed, and the judgment of Judge Kirkpatrick sitting in the District Court of Delaware enjoining respondent from prosecuting the Michigan case until after adjudication is had in the present cause, be allowed to stand.***

Respectfully submitted,

SAMUEL E. DARBY, JR.,  
*Counsel for Petitioner.*

FLOYD H. CREWS,  
*Of Counsel.*

Dated: New York, N. Y.,  
September 28, 1943.





(21)

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IN THE  
**Supreme Court of the United States**  
OCTOBER TERM, 1943

No. 399.

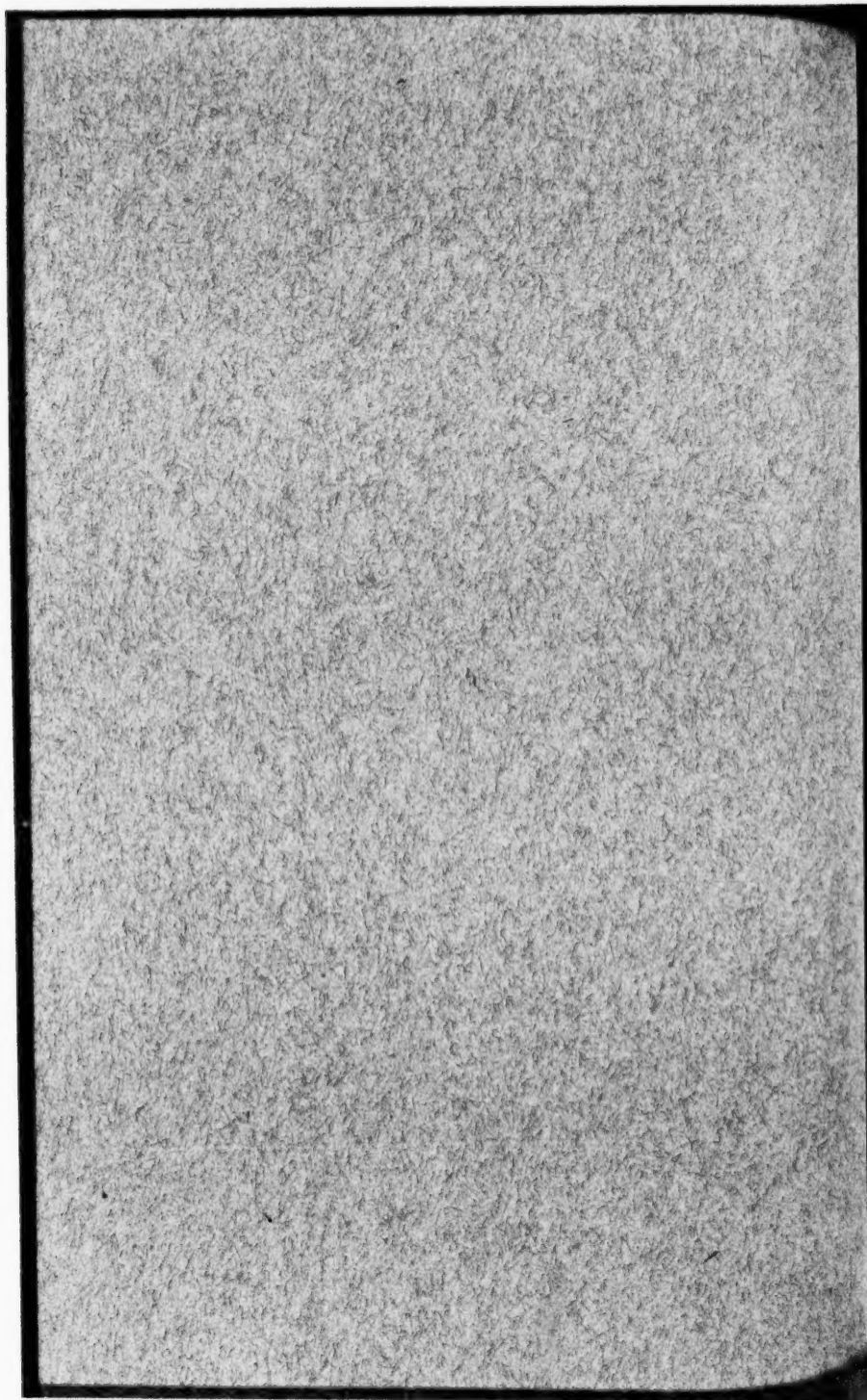
TRIANGLE CONDUIT & CABLE COMPANY, INC.,  
*Petitioner,*  
vs.

NATIONAL ELECTRIC PRODUCTS CORPORATION,  
*Respondent.*

**BRIEF FOR RESPONDENT IN OPPOSITION TO  
PETITION FOR WRIT OF CERTIORARI**

WILLIAM H. DAVIS,  
*Counsel for Respondent.*

JOHN HOXIE,  
W. PETER BLANC,  
*Of Counsel.*

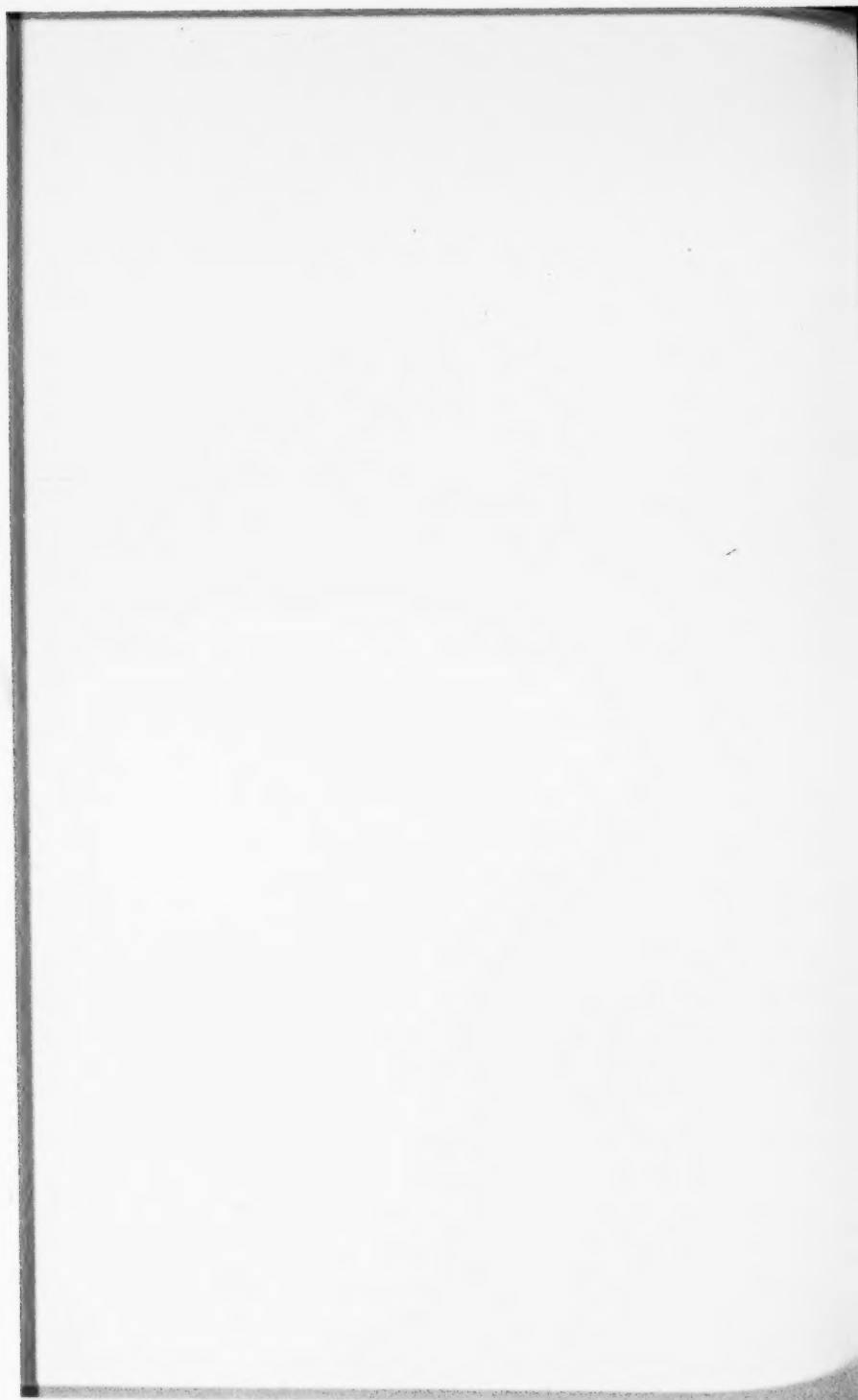


## INDEX

	PAGES
Statement .....	1
There Is No Conflict Of Decision .....	5
The Decision Below Does Not Nullify The Salutory Effect Of The Declaratory Judgments Act .....	8
The Decision Below Involves No Question Of General Or Public Importance .....	10
The Decision Below Is Not In Conflict With The Deci- sion In Kessler v. Eldred .....	10
Conclusion .....	11

### TABLE OF CASES

Birdsell v. Shaliol, 112 U. S. 485 .....	5
DeLaski & Thropp etc. Co. v. Empire etc. Co., 239 Fed. 139, 142-4, D. C., D. N. J. ....	2
Franklin Brass Foundry Co. v. Shapiro & Aronson, 278 Fed. 435, 442-4, C. C. A. 3 .....	5
Hazeltine v. Atwater Kent, 34 F. (2d) 50 .....	6
Horvath v. McCord Radiator Co., 100 F. (2d) 326, 337, C. C. A. 6 .....	5
Kessler v. Eldred, 206 U. S. 285 .....	10, 11
Kryptok Co. v. Stead Lens Co., 190 Fed. 767, C. C. A. 8 .....	2, 8, 9
Rubber Tire Wheel Co. v. Goodyear Tire & Rubber Co., 232 U. S. 413 .....	10
Sherman, Clay & Co. v. Searchlight Horn Co., 225 Fed. 497, C. C. A. 9 .....	2
Triangle Conduit & Cable Co. v. National Elec. Prod. Corp., 38 Fed. Supp. 533, 535 .....	4
Wagner Co. v. Meccano, Ltd., 239 Fed. 901, C. C. A. 6 -	2



IN THE  
**Supreme Court of the United States**

OCTOBER TERM, 1943.

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**No. 399.**

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TRIANGLE CONDUIT & CABLE COMPANY, INC.,  
*Petitioner,*

VS.

NATIONAL ELECTRIC PRODUCTS CORPORATION,  
*Respondent.*

---

**BRIEF FOR RESPONDENT IN OPPOSITION TO  
PETITION FOR WRIT OF CERTIORARI.**

The burden of the petition is that unscrupulous patent owners make a practice of harassing honest manufacturers, first by threatening the customers of the honest manufacturer with patent suits and then by bringing a multiplicity of such suits, and that the decision below encourages that evil practice and nullifies the beneficial effect of the Declaratory Judgments Act in curing the evil.

None of this has any relation to the facts of this case or to the reality of the decision below.

The single thing decided below is that respondent is free to prosecute its pending action against Sears Roebuck & Company in Michigan, wherein respondent seeks relief by way of injunction and accounting against that major competitor; and that respondent may do so although the pres-

ent action is on the same patents and is against petitioner, from whom Sears Roebuck procures most of its infringing products.

In reaching that decision the court below applied a uniform, long established and carefully qualified rule to a special fact situation well within that rule and clear of its qualifications. The rule is that, in the absence of evidence that it is a means of harassment and unfair competition, a patent owner may maintain a suit against a reselling "customer" of an infringing manufacturer during the pendency of a suit against the manufacturer on the same patent.

*Sherman, Clay & Co. v. Searchlight Horn Co.*, 225 Fed. 497, C. C. A. 9

*Kryptok Co. v. Stead Lens Co.*, 190 Fed. 767, C. C. A. 8

*Wagner Co. v. Meccano, Ltd.*, 239 Fed. 901, C. C. A. 6

*DeLaski & Thropp etc. Co. v. Empire etc. Co.*, 239 Fed. 139, 142-4, D. C., D. N. J.

The qualification was recognized in the earlier decision of the court below (Tr. 15, at 17):

"Consequently even though National is enjoined from proceeding against Triangle it is fully empowered to sever its separate cause of action against Sears, Roebuck & Company and to proceed with the prosecution of that cause of action alone. Whether National does so is of no concern to Triangle or to the district court in Delaware *unless the prosecution of that cause of action can be shown to be a means of unfair competition with Triangle*" (emphasis added).

The present case is not within that qualification of the rule because: (1) there were no threats or demands prior to the litigation; (2) there is no multiplicity of "customer"

suits and no prospect of any; (3) there is no evidence of present or prospective harassment or harm to petitioner, and the courts below have so found; and (4) the one "customer" sued is not at all the sort of concern ordinarily suggested by the term "customer" (i. e., is not the run of the mill jobber or distributor); but is one of the country's most powerful companies, whose use of respondent's improvements in direct competition with respondent has a damaging effect and must be checked promptly, and moreover must be checked directly rather than through petitioner because this "customer" can shift its procurement from petitioner to some other manufacturer equally willing to disregard patents in order to gain such a large account.

Petitioner seeks to have the action against Sears Roebuck restrained until after a trial and appeal in this case, which would still leave the necessity of a second trial and appeal in the Sears Roebuck case before any relief against the infringing competition of Sears could be obtained. It is important to respondent to proceed at the same time against both. It is an open question which is the prime infringer. Sears Roebuck is a powerful competitor, well able to defend itself, and there is no reason why it should be given the very considerable competitive advantage of not having to face an adjudication until petitioner's case is disposed of. The delay would prolong the period in which respondent has to stand the infringing competition. It would reduce respondent's primary right of exclusion to the less valuable right of money recovery for the infringement during the period of delay.

To justify such a prejudice to respondent, petitioner offers no evidence whatever of any detriment to it if the restraint is not imposed. Although the injury to respondent is the same as if Sears made its own products, the attempt is to give Sears a preferred status simply because it can be called a "customer." The argument is most



unreal. We do not think that respondent's right to proceed against the infringing competition of Sears Roebuck should depend on the circumstance that in this line of its business Sears Roebuck does not make its own products but has them made by petitioner.

If there were any trace of harmful effect upon petitioner's business, to give reality to the assertion of harassment, it is certain that petitioner would have presented evidence of it to support its motion; but it has no evidence and the case stands as it did on petitioner's earlier motion for the same restraint against the Sears Roebuck case, on which the district court found as follows (38 F. Supp. 533 at 535):

"Plaintiff pretends to fear a campaign of intimidation but presents no basis for such a fear. The affidavit of the vice president and secretary of defendant shows that no such campaign is planned or will be permitted. Defendant has made no threats. There is no evidence of harassment. Defendant has one suit pending in Detroit against plaintiff and one large customer, Sears, Roebuck & Co. Notice of infringement, without threat or demand, has been sent to one other large customer, M. B. Austin Company. Other jobbers and customers have not been notified of infringement."

Respondent's action against Sears Roebuck has already been too long delayed by tactical moves of petitioner in this case. After considerable delay incident to proceedings in this case,\* which kept the status of both cases uncertain,

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\*Those earlier proceedings, extending to April, 1942 when this court denied a petition for writ of certiorari filed by the present respondent (316 U. S. 676, No. 1078, October Term, 1941) settled the question whether this respondent should be permitted to maintain its joint action in Michigan against both petitioner and Sears Roebuck, or whether the controversy between petitioner and respondent should be severed and tried

(Footnote continued on next page.)



that case in Michigan was set down for a trial on April 5, 1943; but had to be put over when petitioner succeeded in obtaining the injunction (Tr. 6-9) which the Court of Appeals below has recently reversed (Tr. 19-24). The severed Michigan action against Sears Roebuck will be tried next January unless further delayed by this petition. It seems to us therefore that the most important thing in this whole situation is to bring an end to interlocutory proceedings and to proceed to trial.

### There Is No Conflict Of Decision.

On the single question decided below, the decision is in accord with all of the decisions on the same question.

The uniform rule starts with the proposition established by this court in *Birdsell v. Shaliol*, 112 U. S. 485 (1884) that the statutory right of a patent owner includes the right to proceed against each maker, each user and each

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(Footnote continued from previous page.)

in the present action. The court below held for the latter course on the sole ground that this action had priority so far as concerns the controversy between petitioner and respondent (Tr. 15-18). Petitioner gained its priority because it brought this action within a week after respondent sent the statutory notices of infringement and during the period when respondent was obtaining evidence of continued infringement after notice. As to the necessity of such notices, which are to be distinguished from threats and demands, and of obtaining proof of continued infringement after notice as a basis for a right of money recovery, see *Franklin Brass Foundry Co. v. Shapiro & Aronson*, 278 Fed. 435, 442-4, C. C. A. 3, and *Horvath v. McCord Radiator Co.*, 100 F. (2d) 326, 337, C. C. A. 6. The notices sent by respondent went to petitioner as well as to the two large customers, not to the customers alone as petitioner's brief indicates. All of the facts appear in the record in this Court in No. 1078 at the October Term, 1941.

seller of an infringing product; that a recovery of damages from the maker does not license the product in the hands of a purchaser from the maker and certainly confers no right upon the customer to continue his infringement; and that the only effect of a recovery of damages from the maker is the usual consequence of a recovery of compensation for a tort, namely, that it bars recovery of the same compensation from another person who caused no other damage. Full relief by injunction and accounting can be obtained therefore only by action against each maker, seller or user whose operations are of a scale to make relief necessary.

Proceeding from this premise, the courts have recognized the right of a patent owner to maintain a *bona fide* action against a reselling customer at the same time that the patent owner is maintaining an action against the manufacturer; but in doing this the courts have also recognized that such actions, especially when a number of small customers are sued, may be made a means of harassment and unfair competition. *Hazeltine v. Atwater Kent*, 34 F. (2d) 50, represents what probably is the limit of what the courts will permit in number of "customer" suits, and that case turned on a special showing of need on the part of the patent owner.

But there are situations such as the present one in which it is highly important to the protection of the business based on the patent that the patent owner proceed without delay against one who uses or resells something made by another; in fact, that need may be as great as the need to proceed against the maker. And if the "customer" is one whose business operations in question are large and there is nothing to indicate that the patent owner's action is not genuine, then all of those considerations become inapplicable which in other situations lead everyone to agree that the "customer" suit should be restrained.

Petitioner does not point to any case which on any similar facts has reached a result contrary to that of the

decision below. Instead, it asserts a conflict with the "principle" of certain decisions in declaratory judgment actions where the question was either (1) whether particular threats or other action by a patent owner constituted a controversy justiciable under the Declaratory Judgments Act, or (2) whether a declaratory action brought by a manufacturer against a patent owner should take precedence over a later action by the patent owner against the same manufacturer, and should lead to a restraint of the latter.

We think it plain that there is no conflict either of decision or of principle. The present question has nothing to do with either law or policy with respect to declaratory actions. Whether or not a suit against a "customer" should be restrained is the same question whether the action involving the manufacturer is a declaratory action initiated by the manufacturer or an executory action initiated by the patent owner. The only material fact is the existence of an action of some sort between the patent owner and the manufacturer, and the question with respect to the "customer" suit involves the quite different considerations which we have already set forth.

Petitioner cites the fact that a bill has been introduced in Congress which, if enacted, would require a contrary result from that reached by the court below. The bill has made little progress. Whether or not anything so drastic is needed must be determined by the Congress. If there is to be an absolute rule against "customer" suits during the pendency of a suit against the manufacturer, it must find its justification in evidence that the protection now afforded by the courts against abuse of the present qualified right is inadequate in some considerable number of cases, and that the resulting harm in the cases of abuse is so great and so irremediable otherwise that the harmful effects of an absolute rule to some patent owners must be submerged in the interest of a discipline for the rest. Since such an absolute rule would cut down the patent right as

now conferred by statute, and any serious consideration of its need would require more investigation than the subject has received as yet, its enactment would seem to be a matter for legislative rather than judicial action. But even if this Court should conceive it to be appropriate for it on some occasion to consider the wisdom of such a rule, in the absence of conflict among the courts of appeals, we do not think that the present case lends itself to the purpose. This is the sort of case that works against an absolute rule and not a case from which such a rule could well spring. We therefore see nothing in the proposed legislation that suggests the desirability of a review in this case.

**The Decision Below Does Not Nullify The Salutory Effect  
Of The Declaratory Judgments Act.**

The premise of petitioner's point about the nullification of the declaratory judgment statute in patent cases is that the decision below has the effect of permitting a patent owner to bring a multiplicity of suits against customers and thereby to harass both them and the manufacturer of the accused product. Because this premise fails, the argument as a whole fails.

The very rule applied by the court below would prevent any such multiplicity of suits because it includes the qualification that the patent owner's right to sue a customer must not be abused by being made a means of harassment and unfair competition. If so abused, the patent owner is subject to restraint by injunction. This qualification is included in many of the authoritative statements of the rule, of which that of Judge Sanborn in *Kryptok v. Stead Lens Co.*, 190 Fed. 767, C. C. A. 8, cited by the court below, is an example (*id.*, 769):

“Established principles of equity jurisprudence are (1) that one may not be enjoined from doing lawful acts to protect and enforce his rights of property or

of person, unless his acts to that effect are clearly shown to be done unnecessarily, not for the purpose of preserving and enforcing his rights, but maliciously to vex, annoy, and injure another; and (2) that where the injury to the applicant if the preliminary injunction is refused will probably be greater than the injury to the opponent if it is granted it should be issued, while if the contrary is the probable result the application for it should be denied. *Russell v. Farley*, 105 U. S. 433, 438, 26 L. Ed. 1060; *Shubert v. Woodward*, 92 C. C. A. 509, 522, 167 Fed. 47, 60; *Blount v. Societe Anonyme Du Filtre*, 53 Fed. 98, 101, 3 C. C. A. 455, 458."

Further, there is no circumstance in the present case to suggest the possibility that respondent will bring any additional actions against customers of petitioner. It did not even send statutory notices of infringement to the small customers of petitioner, but notified only its two largest customers who occupy special positions in the channels of distribution and whose infringing competition is of such nature that it could not be ignored. These notices were necessary to preserve respondent's right of recovery against these infringers. Note *Kryptok v. Stead*, at page 770.

The argument based on the fact that the issues of invention and infringement in the case against Sears Roebuck are the same as in the present case was properly answered by the court below, which pointed out that the parties are not the same in the two cases and that the causes of action are different (Tr. 22). Respondent has a separate and distinct right of action against Sears Roebuck to enjoin it from infringement and to recover its separate profits from the infringement. It needs that relief and can not obtain it in the present action to which Sears Roebuck is not a party.

It is no answer to say that respondent may prosecute its case against Sears Roebuck after a successful trial and

appeal in the present action. That would simply give Sears Roebuck additional years of immunity, after which it can put respondent to the further delay of a trial and an appeal in its case. The prejudice to respondent that would flow from that has already been stated.

**The Decision Below Involves No Question Of  
General Or Public Importance.**

Petitioner's argument on this point merely repeats the arguments already considered, founded on the incorrect factual premise that the action against Sears Roebuck was brought in order to harass petitioner and for no legitimate purpose and that the decision below opens the door to a multiplicity of suits. The action against Sears Roebuck has but the one purpose of stopping the infringement as promptly as possible and giving respondent its appropriate money recovery. There is nothing to indicate that even incidentally it has had or can have any detrimental effect upon petitioner. Petitioner continues to sell to Sears Roebuck and to enjoy every advantage of the infringement.

**The Decision Below Is Not In Conflict With  
The Decision In *Kessler v. Eldred*.**

The decision of this court in *Kessler v. Eldred*, 206 U. S. 285, reiterated in *Rubber Tire Wheel Co. v. Goodyear Tire & Rubber Co.*, 232 U. S. 413, establishes the proposition that when a judgment of invalidity or non-infringement has been rendered in a patent action against a manufacturer, that manufacturer thereafter may have an injunction restraining any suits against his customers based on the resale of the particular products adjudged to be free of the patent. The express rationale of the decision is that this is necessary in order to give the manufacturer the full benefit and effect of the judgment he has won.

Once he has established by a final judgment that he is free to sell a particular product, the manufacturer must be given a real freedom to do so unhampered by suits against those who buy it from him.

The only present significance of the doctrine of *Kessler v. Eldred* is that it confirms the decision below. It shows that the result which petitioner seeks is something which it can have only when and if it wins a final judgment that its product is free of the patent. A doctrine which rests entirely on the existence of such a final judgment can be of no aid to petitioner at this stage of the litigation when there has not even been a trial.

### CONCLUSION.

The petition presents no question justifying a review in this Court, and should be denied.

Respectfully submitted,

WILLIAM H. DAVIS,  
Counsel for Respondent.

JOHN HOXIE,  
W. PETERS BLANC,  
of Counsel.





22

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IN THE

# Supreme Court of the United States

October Term, 1943

No. 399

TRIANGLE CONDUIT & CABLE CO., INC.,  
*Petitioner,*

*vs.*

NATIONAL ELECTRIC PRODUCTS CORPORATION,  
*Respondent.*

## REPLY BRIEF FOR PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

SAMUEL E. DARBY, JR.,  
*Counsel for Petitioner.*

FLOYD H. CREWS,  
*Of Counsel.*



IN THE

# Supreme Court of the United States

October Term, 1943

No. 399

TRIANGLE CONDUIT & CABLE CO., INC.,  
*Petitioner,*

*vs.*

NATIONAL ELECTRIC PRODUCTS CORPORATION,  
*Respondent.*

## REPLY BRIEF FOR PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

The burden of the petition is not abstract, as stated by respondent's brief in opposition, but is concrete. It is directed against *respondent's* actions in this case. The petition is based upon the fact that a patent owner—*respondent*—has *in this case* harassed an honest manufacturer—petitioner—by misuse of its worthless patents as instruments of business aggression through abuse of legal processes, to coerce petitioner's two largest customers into dealing with respondent to the exclusion of petitioner.

The hollow mockery of respondent's pious pretention is nowhere more manifest than in its statement on page 5 of its brief that:

"It seems to us therefore that the most important thing in this whole situation is to bring an end to interlocutory proceedings and to proceed to trial."

If there had been any sincerity in respondent's desire to obtain adjudication of the validity of its patents and the charge of infringement thereof by petitioner's products, it would have heeded the compulsion of Rule 13(a) of the Rules of Civil Procedure, and in *prompt* response to the declaratory judgment complaint filed by petitioner in this cause on January 16, 1941, counterclaimed for infringement of its patents. Thereby, had respondent *really* wanted it, there would have been obtained a trial and adjudication nearly three years ago. Instead, respondent has prolonged this litigation through extensive and unwarranted interlocutory proceedings, both here and in Michigan, in order to hold its continuing threat over petitioner's customer, Sears. No business relations can withstand forever an unadjudicated charge of illegality; constant dripping wears away the hardest stone. And yet, in its brief, respondent has the temerity to represent its successful efforts to *delay* the trial of this cause as beneficial to Sears! And to petitioner!! And infers that petitioner is responsible for the delay!!!

Respondent's assertions that it has not harassed petitioner or threatened petitioner's customers are hypocritical, to say the least. It supports these assertions with quotation from the earlier District Court opinion *which was reversed*, undoubtedly because of the flatly erroneous statement of the District Court that "Defendant has made no threats. There is no evidence of harassment." As was shown on the face of the record before the Court of Appeals, respondent not only actually made threats against petitioner's two largest customers—Sears and M. B. Austin—respondent thereafter actually attempted, *by personal solicitation by its patent counsel*, to induce Sears to cease being a customer of petitioner and switch its business to respondent. Sears' attorney, Mr. Frank Marks, wrote:

"You may be interested to know that Mr. Hoxie of Pennie, Davis, Marvin & Edmonds, personally called on the writer a week or so ago. He mentioned the Triangle Conduit & Cable suit and stated that, nevertheless, his client would probably file suit against Sears, Roebuck & Co. He inquired as to whether or not Sears would make a definite decision in the matter, *and I received the impression that the purpose of his visit was to influence Sears either to obtain a license or to modify its dealings with your client.*"\* (Emphasis ours.)

It is true, as respondent asserts (Brief, p. 10), that "Petitioner continues to sell Sears, Roebuck", but that is solely because respondent thus far has been unsuccessful in its deliberate and brazen harassment and attempted intimidation.

The record of the earlier case further shows (p. 34) *by affidavit of respondent's counsel* that respondent's attorneys are under "unqualified" instructions to start suit against M. B. Austin. In the teeth of this affidavit, respondent makes the statement on page 9 of its brief:

"Further, there is no circumstance in the present case to suggest the possibility that respondent will

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\* Mr. Marks' letter, in its entirety, is reproduced on page 24 of the Transcript of Record before this Court in Case No. 1078, October Term 1941. The record filed with the present petition necessarily was limited to the printed record in the Court of Appeals below. By the rules of that Court only the portions of the record counsel desired the Court of Appeals to read are printed as an appendix to the briefs (see Rule 26(2)(e) of the rules of the United States Circuit Court of Appeals for the Third Circuit). Under these circumstances, the necessity as well as the propriety of referring this Court to the record in Case No. 1078 at the October Term 1941 is recognized by respondent in the footnote appearing on pages 4 and 5 of its brief. The record in that case was before this Court on petition for writ of certiorari by respondent, which was denied by this Court.

bring any additional actions against customers of petitioner."

Respondent couples with its assertion of no threat of multiplicity of suits the assertion that its conduct is proper because Sears is large. If petitioner does 95% of its business with two customers, then harassment of those two is more serious than the harassment of ninety-five customers, each doing 1% of the business. The loss of two large customers, under such circumstances, may be catastrophic; the loss of two small ones negligible. It is obvious that it is not the *number* of suits that supplies the yardstick for measuring "multiplicity".

### ***Conclusion.***

This Court has the power and the duty to prevent abuse of legal process. The facts of this case are plain. The questions here presented can arise only in interlocutory proceedings such as the present, because if undecided at this stage they cannot arise later. Action by this Court is therefore necessary *now*, and is most earnestly urged.

Respectfully submitted,

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